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COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

Berkshire Gas Company, D. T. E. 01-41

THE ATTORNEY GENERAL'S SECOND SET OF INFORMATION REQUESTS

AG-2-1 Please provide all analyses performed by the Company or its consultants evaluating TPC's performance under the capacity management agreement in place during the period November 1999 through October 2000. Include all supporting workpapers, calculations and source documents.

AG-2-2 Please provide a detailed explanation of how the Company will monitor and evaluate the performance of BP under the "alliance." Include a schedule of all formal and informal reviews that the Company will conduct, describe the data to be reviewed, the time line for each component of the reviews and the identity of the staff or consultants performing the review and how the reviews will be used to change or influence performance under the "alliance." This response should include the description of any audits that will be performed.

AG-2-3 Have any of the other Energy East Companies filed for regulatory approval of their alliance agreements? If yes, please provide a copy of the regulation, rule or statute governing each company's filing, a copy of the filing and all associated documents, and the status of the approval. For each regulatory approval granted, please provide a copy of the order approving the agreements.

AG-2-4 Please provide copies of all agreements between any of the Energy East Companies that involve the performance of services or the sharing of personnel, resources or other assets. Include copies of all regulatory authority approvals of the agreements.

AG-2-5 Please provide copies of all correspondence, memoranda, notes, presentation materials and other documents associated with all meetings or discussions among and between any of the Energy East Companies' personnel regarding the issuance of the RFP to which BP responded. Include a summary of all discussions related to the RFP and procurement of the desired services.

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AG-2-6 Please provide copies of all correspondence, memoranda, notes, presentation materials and other documents associated with all meetings or discussions among and between any of the Energy East Companies' personnel regarding the pros and cons of entering into an optimization/alliance agreement. Include a summary of all discussions.

AG-2-7 Please explain in detail what specific revenues and expenses associated with the alliance and related agreements will be reflected in the Company's CGA/LDAF.

AG-2-8 How will the Department monitor BP's performance under the alliance agreement? Explain in detail what specific data/analyses will be provided, when these data/analyses will be provided and who will be responsible for providing the data/analyses.

AG-2-9 Please explain in detail how each category of revenues and expenses associated with the alliance and related agreements will be reflected in the Company's CGA/LDAF.

AG-2-10 Please explain in detail how each of the other Energy East Company participant's revenues and expenses associated with the alliance and related agreements will be reflected in the rates charged to customers.

AG-2-11 Please provide copies of all regulatory approvals or denials of the Energy East merger/acquisitions of the participating companies (NYSEG, SCG, CNG and Berkshire). Include all regulatory approvals of all Energy East LDC rate plans currently in effect--whether or not these plans were merger related.

AG-2-12 Are there any Energy East LDC's that are not participating in the alliance agreements? If yes, please explain why.

AG-2-13 For each of the other participating Energy East companies, please describe the regulatory structure and environment in comparison to that in Massachusetts. Include information regarding the status of each company regarding deregulation, the level of competition, rate unbundling, implementation of incentive mechanisms, PBR, margin sharing, etc. Include citations to regulations and regulatory orders implementing rate/competitive initiatives.

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AG-2-14 Has BP ever entered into an alliance/optimization arrangement with an LDC prior to April, 2001? If yes, please provide the companies involved, the terms of the arrangements and copies of the regulatory approvals of these arrangements.

AG-2-15 Please provide the amount of savings to date generated under the alliance and the related "Interim Agreement", in effect April 1, 2001. Include all the supporting documentation indicating the source of each transaction producing savings, all underlying calculations and workpapers.

AG-2-16 Please provide the amount of the costs incurred by the Company to date under the alliance and the related "Interim Agreement", in effect April 1, 2001. Include all the supporting documentation indicating the source of each transaction producing costs, all underlying calculations and workpapers.

AG-2-17 Refer to page 10 of the Optimization Agreement, §1.47, "Regulated Portfolio Agreements." Please provide copies of each of these agreements.

AG-2-18 Refer to Ms. Zink's testimony, page 11. Explain in detail how "...actual savings attributable to each of the LDC's will be tracked separately." If savings are to be tracked separately for each company, why aren't the savings attributable to an individual company equal to that company's share--rather than pooling the savings and allocating the benefits based on the company's "participating share?"

AG-2-19 Refer to Ms. Zink's Testimony, page 15. Ms. Zink states the Company may propose specific rate treatment for revenues generated by the alliance agreement--absent any proposal, how will the revenues be treated? Please include citations to Department precedents in support of this treatment. What alternative treatments are being considered by the Company?

AG-2-20 Refer to page 15 of Ms. Zink's testimony, discussion of benefits to Berkshire. Is it the Company's position that gas costs to its customers will be lower with the alliance arrangements than without? If yes, please explain why this type of arrangement should not be viewed as anti-competitive, now that the retail market is open to competition. If not, please explain what benefits are to be derived by the Company's customers.

AG-2-21 Are any of the Energy East affiliates gas marketing companies? If yes, please provide the names of the affiliates, the territories served, customer classes served and sales data (volumes and dollars) for the years 1996-2000.

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AG-2-22 Please provide copies of the annual reports to shareholders for each participating LDC, each affiliated marketing company and Energy East (or predecessor) for the years 1996-2000.

AG-2-23 Has the Company ever entered into any hedging arrangement? If yes, please describe each hedge. Include a description of the circumstances and the strategy associated with each instance, provide the dates and duration of each hedging transaction, and describe the hedging instruments and the outcome of the transactions, both in terms of total cost and total savings. Please identify the Company personnel involved in these transactions and indicate what role they will play in alliance agreement transactions.

AG-2-24 Please provide the assessment of the benefits of the Company's merger/acquisition by Energy East. Quantify the benefits and associated costs in detail and include the expected time to achieve each benefit. Specify which benefits have been achieved to date.

AG-2-25 Please provide a list of Berkshire Gas Company gas acquisition and supply staff positions that were filled at year end 1997, 1998, 1999 and 2000. Include copies of the job descriptions for these positions.

AG-2-26 Please provide a list of Berkshire Gas Company financial management staff positions that were filled at year end 1997, 1998, 1999 and 2000. Include copies of the job descriptions for these positions.

June 1, 2001